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65 LIVINGSTON AVENUE
ROSELAND, NJ 07068

EXAMINER

CHENCINSKI, SIEGFRIED E

ART UNIT	PAPER NUMBER
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3695

MAIL DATE	DELIVERY MODE
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02/23/2010

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary

Application No.

10/814,954

Applicant(s)

COAD ET AL.

Examiner

SIEGFRIED E. CHENCINSKI

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3695

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 07 January 2010.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-11 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-11 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SE/US)
Paper No(s)/Mail Date _____
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date _____
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____

DETAILED ACTION

Applicant Admitted Prior Art

1. The following limitations are Applicant Admitted Prior Art (AAPA) based on the record:

In claim 1 - "protecting a position"

Claim 2. a national best bid/offer price for the contracts

Claim 4. placing a facilitation order on the at least one automated exchange if an order is placed for more than a predetermined number of contracts.

Claim 5. A method in accordance with claim 4 further including the step of placing a contra order against the order on the at least one automated exchange.

Claim 9. automatically hedging an order.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

2. **Claims 1-11 are rejected under 35 U.S.C. 101** because the claimed invention is directed to non-statutory subject matter. A claim cannot be based on two statutory classes. IN the case of independent claim 1, the preamble states that the invention is both a method and a system, which claims two statutory classes. Dependent claims 2-11 are rejected due to their dependence on rejected claim 1.

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

3. Claims 1-11 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Independent claim 1 is indefinite because the claimed limitations fail to carry out the purpose of the claim, thus putting the preamble into conflict with the limitations.

a) The preamble states "a method for providing a computerized transaction interface system to a plurality of exchanges comprising automated exchanges and non-automated exchanges". The limitations fail to include a transactions interface because no transactions are included since an order is merely delivered to one of two types of exchanges. The selected exchange is then either further processed or monitored and a copy of the order is stored. No transaction is involved since no order has been accepted and transacted. A transaction requires that a trade has been made and reported back. Merely transmitting an order and monitoring and storing the order does not make for a transaction. The claim is merely an order receiving, submission and monitoring claim.

b) The claim is indefinite because the claim fails to fulfill the stated purpose of the claim as stated in the preamble since no transactions are involved in either path of exchange types.

Dependent claims 2-11 are rejected due to their dependence on rejected claim 1.

4. Applicant is advised to bring the claims into statutory compliance but is advised not to add new matter to the claims.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 1, 3, 6-8, 10 and 11 are rejected under 35 U.S.C. 103(a) as being unpatentable over Gutterman et al.(US Patent 5,297,031, hereafter Gutterman) in view of Patterson, Jr. et al. (US Patent 5,774,877, hereafter Patterson) and Slone (PreGrant Publication 2002/0128958 A1).

Re. Claim 1, Gutterman discloses "a broker workstation for managing orders in a market for trading commodities, securities, securities options, futures contracts and futures options and other items including: a device for selectively displaying order information; a computer for receiving the orders and for controlling the displaying device; and a device for entering the orders into the computer; wherein the displaying device comprises a device for displaying selected order information about each incoming order, a device for displaying a representation of an order deck and a device for displaying a total of market orders. In another aspect of the invention, there is provided in a workstation having a computer, a device for entering order information into the computer and a device for displaying the order information entered, a method for managing orders in a market for trading commodities, securities, securities options, futures contracts and futures options and the like comprising the steps of: selectively displaying order information incoming to the workstation; accepting or rejecting orders corresponding to the incoming order information displayed; displaying accepted order information in a representation of a broker deck; and selectively displaying a total of orders at the market price." (Abstract). Gutterman discloses manual trading execution through the open pit open outcry method (Col. 1, 32-37). Gutterman also discloses that firms which are members of exchanges are the intermediaries who bring trading orders to the exchange appropriate for executing the trade of a given security (Col. 1, 45-47). Gutterman also discloses an automated online method for a transaction interface for processing commodities and financial securities, futures contracts and futures options trading orders through a broker intermediary system (Col. 5, l. 59 – Col. 6. l. 15). As such, Gutterman discloses a method for providing a computerized transaction interface system to a plurality of exchanges comprising automated exchanges and non-automated exchanges, said method comprising:

- Receiving, at a client work station, a client order comprising one or more contracts (Col. 5, I. 64; Col. 6, II. 42-50);
- cancel/replace messages are not handled by electronically stored routing rules (Guterman discloses this step to be handled by a human, the broker, meaning that the automation rules do not handle cancel/replace messages (Col. 4, II. 35-43; Col. 6, II. 51-55).
- electronically stored routing rules are suggested (Col. 6, II. 33-35);
- automatically delivering, by the facilitation server, the order for execution (Fig. 3a);

Guterman does not explicitly disclose replace messages. However, Patterson discloses cancel/replace messages (Col. 20, bottom in table; Col. 26, II. 59-67).

Guterman does not explicitly disclose automatically selecting, by a facilitation server, one of the plurality to exchanges for execution of the client order based on the one or more contracts in the order and based on electronically stored routing rules, wherein the electronically stored routing rules translate messages between a messaging layer and a message protocol. However, Slone discloses automatically selecting, by a facilitation server, one of a plurality of exchanges for execution of the client order based on the one or more contracts in the order and based on electronically stored routing rules (p. 6, [0068], [0070]), wherein the electronically stored routing rules translate messages between a messaging layer and a message protocol (p. 9, [0106]).

Guterman does not explicitly disclose wherein an order sent to a selected automated exchange is further automatically processed by the facilities server, said order to protect a position. However, Slone discloses wherein an order delivered to a selected automated exchange is further automatically processed by the facilities server ([0068], [0074]), said order to protect a position ([0050], [0074]).

Guterman does not explicitly disclose wherein an order delivered to a non-automated exchange is automatically monitored by the facilitation server and an electronic copy of the order is generated and stored in a database. However, Slone discloses wherein a non-automated exchange selected for order execution is automatically monitored by the

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facilitation server (This is inherent on Slone because Slone discloses that any exchange is a candidate for order execution without limitation [0068], [0074]. Storing an electronic copy of the order is also inherent in Slone – e.g. p. 2, [0014]-I. 2).

Therefore, it would have been obvious to an ordinary practitioner at the time of Applicant's invention to have combined the disclosure of Gutterman, Patterson and Slone with the practitioner's own knowledge in order to have developed a method for providing a transaction interface to a plurality of exchanges, motivated by a desire to apply computer-based techniques for managing orders placed in a physical market for trading instruments such as stocks, bonds, stock options, futures options and futures contracts on commodities including agricultural products, financial instruments, stock market indices and the like (Gutterman, Col. 1, II. 6-11).

Regarding dependent claims 3, 6-8, 10 and 11,

Claims 3, 6-8, 10 and 11 would have been obvious to the ordinary practitioner in Gutterman, Patterson and Slone's disclosures:

Claim 3, selecting at least one automated exchange (Slone, [0068], [0074], [0106]).

Claim 6. creating an instrument evidencing the transaction.

Claim 7. providing a monitoring system to monitor the status of the order (Slone, [0068], [0074]).

Claim 8. updating the monitoring system as each step occurs (inherent in Slone, [0068], [0074]).

Claim 10. recording the execution of each step of the transaction (inherent in Gutterman and Slone).

Claim 11. recording the execution of each step of the transaction in a database (These steps are inherent in the processes disclosed by Gutterman, Patterson and Slone).

6. Claims 2, 4, 5 and 9 are rejected under 35 U.S.C. 103(a) as being unpatentable over Gutterman, Patterson and Slone as applied to claim 1 above, and further in view of in view of Applicant Admitted Prior Art (hereafter AAPA).

Re. claims 2, 4, 5 and 9, neither Gutterman, Patterson nor Slone explicitly disclose the following limitations:

Claim 2. a national best bid/offer price for the contracts

Claim 4. placing a facilitation order on an automated exchange (Slone, [0068], [0074], [0106]).

Claim 5. the step of placing a contra order against the order on the automated exchange.

Claim 9. automatically hedging an order.

However, dependent claims 2, 4, 5 and 9 are disclosed by AAPA.

Therefore, re. claims 2, 4, 5 and 9, it would have been obvious to an ordinary practitioner at the time of Applicant's invention to have combined the disclosure of Gutterman, Patterson, Slone and AAPA with the practitioner's own knowledge in order to have developed a method for providing a transaction interface to a plurality of exchanges, motivated by a desire to computer-based techniques for managing orders placed in a physical market for trading instruments such as stocks, bonds, stock options, futures options and futures contracts on commodities including agricultural products, financial instruments, stock market indices and the like (Gutterman, Col. 1, ll. 6-11).

Response to Arguments

7. Applicant's arguments filed January 7, 2010 regarding claims 1-11 have been fully considered but they are not persuasive.

ARGUMENT A: Amendments to claims to comply with 35 USC 112 (p. 5, ll. 7-17).

RESPONSE:

Please see the above rejections under 35 USC 112-2nd paragraph.

ARGUMENT B: Applicant's amendments of independent claim 1 have overcome Gutterman in view of Slone (p. 7. l. 2—p. 8, l. 2).

RESPONSE:

Please see the above rejections under 35 USC 112-2nd paragraph.

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ARGUMENT C: The rejection of dependent claims 2, 4, 5 and 9 are traversed "This rejection is traversed. For the reasons discussed *supra*, Applicants submit that the combined teachings of Gutterman et al., Patterson et al. and Slone fail to obviate the present claims. The Examiner relies upon AAPA solely for allegedly teaching the limitations of dependent claims 2, 4, 5 and 9. Therefore, Applicants submit that AAPA fails to cure the deficiencies of the cited references as described above." (p. 8, ll. 3-13).

RESPONSE:

1) Please see the rejections of dependent claims 2, 4, 5 and 9 under 35 USC 103 (a) above.

2) The Matter of Law

Once Office personnel have established the *Graham* factual findings and concluded that the claimed invention would have been obvious, **the burden then shifts to the applicant to (A) show that the Office erred in these findings or (B) provide other evidence to show that the claimed subject matter would have been nonobvious.** 37 CFR 1.111(b) requires applicant to distinctly and specifically point out the supposed errors in the Office's action and reply to every ground of objection and rejection in the Office action. The reply must present arguments pointing out the specific distinction believed to render the claims patentable over any applied references.

3) In the instant case, Applicant has failed to provide a proper traversal per the following standard because Applicant has presented mere allegations without providing a combination of evidence and rationale to put the examiner's rejections into serious question. Further, dependent claims 2, 4, 5 and 9 have previously been established on the record as being disclosed by AAPA.

Conclusion

8. Any inquiry concerning this communication or earlier communications from the Examiner should be directed to Siegfried Chencinski whose telephone number is (571)272-6792. The Examiner can normally be reached Monday through Friday, 9am to 6pm.

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If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's supervisor, Charles Kyle, can be reached at (571) 272-6746.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Any response to this action should be mailed to:

Commissioner of Patents and Trademarks, Washington D.C. 20231

or Faxed to (571)273-8300 [Official communications; including After Final communications labeled "Box AF"]

or Faxed to (571) 273-6792 [Informal/Draft communications, labeled "PROPOSED" or "DRAFT"]

Hand delivered responses should be brought to the address found on the above USPTO web site in Alexandria, VA.

SEC

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February 13, 2010

/Narayanswamy Subramanian/
Primary Examiner, Art Unit 3695